

HOUSE BILL REPORT

SB 5552

As Passed House - Amended:

April 5, 2007

Title: An act relating to discharges of oil.

Brief Description: Changing compensation and penalties for oil spills.

Sponsors: By Senators Rockefeller, Spanel, Regala, Kohl-Welles, Kline and Oemig.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 3/26/07, 3/28/07 [DPA].

Floor Activity:

Passed House - Amended: 4/5/07, 69-28.

**Brief Summary of Bill
(As Amended by House)**

- Increases the maximum amount of certain penalties and fees charged to individuals who unlawfully discharge oil into the waters of the state.
- Changes the suggested membership of a preassessment screening committee by removing the Departments of Social and Health Services and Emergency Management, and adding the Department of Health.
- Changes the definition of "oil" in a number of RCW chapters dealing with oil spills and cleanup to include oils of a biological source.
- Removes the restriction on the Department of Ecology from collecting a natural resources damage assessment for oil spills that occur in non-navigable waters of the state.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended. Signed by 9 members: Representatives B. Sullivan, Chair; Blake, Vice Chair; Dickerson, Eickmeyer, Grant, Kagi, McCoy, Strow and VanDeWege.

Minority Report: Do not pass. Signed by 5 members: Representatives Kretz, Ranking Minority Member; Warnick, Assistant Ranking Minority Member; Hailey, Newhouse and Orcutt.

Staff: Jason Callahan (786-7117).

Background:

Persons discharging oil into state waters are potentially subject to penalties imposed by the state. For every violation and for each day a spill poses risks to the environment, as determined by the Department of Ecology (DOE), persons negligently discharging oil incur a penalty of up to \$20,000, and persons intentionally or recklessly discharging oil incur a penalty of up to \$100,000.

The DOE determines penalty amounts after considering the gravity of the violation, previous compliance with the state Water Pollution Control Act, speed and thoroughness of oil collection and removal, and other considerations deemed appropriate.

Persons discharging oil into state waters must also potentially pay compensation for cleanup and damage costs. Compensation under an oil spill compensation schedule is limited to \$50 per gallon of oil spilled.

Damage assessment after an oil spill is conducted by a resource damage assessment committee that is composed of representatives of the DOE and the Departments of Fish and Wildlife, Natural Resources, Social and Health Services (DSHS), Archaeology and Historic Preservation, the Emergency Management Division, and the Parks and Recreation Commission.

Summary of Amended Bill:

Certain penalties and fees charged to individuals who unlawfully discharge oil into the waters of the state are increased as follows:

- The maximum compensation amount required to be paid for the unlawful discharge of oil is increased from \$50 per gallon of oil spilled to \$100 per gallon of oil spilled.
- The maximum additional penalty for the negligent discharge of oil is increased from \$20,000 per violation to \$100,000 per violation.
- The maximum additional penalty for the intentional discharge of oil is increased from \$100,000 per violation to \$500,000 per violation.

In addition, the DOE is directed to take into consideration the size of the business operated by the violator when determining the additional penalty for negligent or intentional oil releases

and the suggested membership of a preassessment screening committee is changed to remove the DSHS and the Emergency Management Division, and add the Department of Health.

The definition of "oil" in a number of RCW chapters dealing with oil spills and cleanup is changed to include oils of a biological source and the restriction on the DOE from collecting a natural resources damage assessment for oil spills that occur in non-navigable waters of the state is removed.

Technical changes in the bill include the updating of outdated names for state agencies and the deletion of language tied to past time deadlines.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The state has a goal of zero oil spills, and that goal can only be reached if it is coupled with serious consequences for those who spill oil into state waters. The cost of the penalty must be high enough to get the attention of the party who spills the oil. The penalties in the bill and the underlying law are maximums, and most fines are actually less than the statutory limits. However, in many cases, these limits have not been increased since the 1970s or 1980s.

Oil spills can have serious consequences to the environment as well as to recreational and cultural resources. Damage done by even small oil spills can be long lasting. The power of inflation has eroded the state's ability to conduct adequate rehabilitation work with the monies generated by the current fee schedule.

(Opposed) None.

Persons Testifying: Senator Rockefeller, prime sponsor; David Byers, Department of Ecology; and Bryan Edie, Department of Fish and Wildlife.

Persons Signed In To Testify But Not Testifying: None.